

## 2006 Current Fiscal Year Report: Advisory Committee on Smaller Public Companies

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<b>1. Department or Agency</b>		<b>2. Fiscal Year</b>	
Securities and Exchange Commission		2006	
<b>3. Committee or Subcommittee</b>		<b>3b. GSA Committee No.</b>	
Advisory Committee on Smaller Public Companies		22993	
<b>4. Is this New During Fiscal Year?</b>	<b>5. Current Charter</b>	<b>6. Expected Renewal Date</b>	<b>7. Expected Term Date</b>
No	03/23/2005	03/23/2007	04/23/2006
<b>8a. Was Terminated During Fiscal Year?</b>	<b>8b. Specific Termination Authority</b>		<b>8c. Actual Term Date</b>
Yes			04/23/2006
<b>9. Agency Recommendation for Next Fiscal Year</b>	<b>10a. Legislation Req to Terminate?</b>		<b>10b. Legislation Pending?</b>
Terminate	No		
<b>11. Establishment Authority</b> Agency Authority			
<b>12. Specific Establishment Authority</b>	<b>13. Effective Date</b>	<b>14. Committee Type</b>	<b>14c. Presidential?</b>
SEC Rel. No, 33-8514, 69 FR 76498 (Dec.21, 2004)	12/21/2004	Ad hoc	No
<b>15. Description of Committee</b> Other Committee			
<b>16a. Total Number of Reports</b>	1		
<b>16b. Report Date</b>	<b>Report Title</b>		
04/23/2006	Final Report of the Advisory Committee on Smaller Public Companies to the United States Securities and Exchange Commission		

**Number of Committee Reports Listed: 1**

**17a. Open 6 17b. Closed 0 17c. Partially Closed 0 Other Activities 0 17d. Total 6**

### Meetings and Dates

Purpose	Start	End
The agenda for the meeting includes hearing oral testimony, primarily from investors in small cap companies, and considering written statements that have been filed with the Advisory Committee in connection with the meeting.	10/14/2005	10/14/2005
The agenda for the meeting includes consideration of proposals of the Advisory Committee's four subcommittees on possible recommendations for changes to the current securities regulatory system for smaller companies.	10/24/2005	10/25/2005
The agenda for the meeting includes consideration of proposals of the Advisory Committee's four subcommittees on possible recommendations for changes to the current securities regulatory system for smaller companies.	12/14/2005	12/14/2005

The agenda for the meeting includes a discussion of a proposal to publish a draft of the Advisory Committee's Final Report for public comment. The Advisory Committee may also discuss written statements received and other matters of concern.	02/21/2006 - 02/21/2006
The agenda for the meeting includes further consideration of the Exposure Draft of the Committee's Final Report released for public comment on February 28, 2006 available at <a href="http://www.sec.gov/rules/other/33-8666.pdf">http://www.sec.gov/rules/other/33-8666.pdf</a>	04/12/2006 - 04/12/2006
The agenda for the meeting includes adoption of the Advisory Committee's Final Report to the Commission. The Advisory Committee may also discuss written statements received and other matters of concern.	04/20/2006 - 04/20/2006

### Number of Committee Meetings Listed: 6

	Current FY	Next FY
<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$334,313.00	\$0.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$49,000.00	\$0.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$6,000.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$10,000.00	\$0.00
<b>18d. Total</b>	\$399,313.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	2.10	0.00

### 20a. How does the Committee accomplish its purpose?

The scope of the advisory committee's work is to assist the Securities and Exchange Commission in evaluating the current securities regulatory system under the laws of the United States relating to disclosure, financial reporting, internal controls and offering exemptions for smaller companies. The advisory committee's objective is to assess the impact of this system and possibly make recommendations for changes. The advisory committee's duties and responsibilities are to collect information about the current securities regulatory system for smaller companies, assess the information collected and possibly make recommendations for changes.

### 20b. How does the Committee balance its membership?

The Commission will use its best efforts to assure the advisory committee's membership is fairly balanced in terms of points of view represented and tasks to be performed. Members will be appointed who can effectively represent the varied interests affected with respect to a range of issues. The committee's membership may include, among others, officers and directors of smaller companies; accountants, lawyers and other professional service providers to smaller companies; academics; current or past federal and state regulators; investors; and members of the public at large.

## 20c. How frequent and relevant are the Committee Meetings?

Estimated Number of Meetings per Year - 8 Estimated Total Meetings - 8

## 20d. Why can't the advice or information this committee provides be obtained elsewhere?

The Commission has no mechanism for examining in a comprehensive and systematic way whether changes to its programs for regulating the securities activities of smaller companies are appropriate. No person, committee or other entity capable of performing these functions currently exists, and no other agency can perform the functions envisioned for the advisory committee.

## 20e. Why is it necessary to close and/or partially closed committee meetings?

## 21. Remarks

The Committee's objective is to assess the current regulatory system for smaller public companies under the securities laws of the United States and to make recommendations for changes.

## Designated Federal Officer

Gerald J. Laporte DFO

Committee Members	Start	End	Occupation	Member Designation
Barry, Patrick	03/07/2005	04/23/2006	CFO and COO, Bluefly, Inc.	Representative Member
Bochner, Steven	03/07/2005	04/23/2006	Partner, Wilson Sonsini Goodrich & Rosati	Representative Member
Brounstein, Richard	03/07/2005	04/23/2006	Executive Vice President and CFO, Calypse Biomedical Corp.	Representative Member
Cafferty, Pastora	03/07/2005	04/23/2006	Professor, School of Social Service Administration, University of Chicago	Representative Member
Cloutier, C.R.	03/07/2005	04/23/2006	President and CEO, MidSouth Bancorp, Inc.	Representative Member
Connolly, James "Drew"	03/07/2005	04/23/2006	President, IBA Capital Funding	Representative Member
Coolidge, E. David	03/07/2005	04/23/2006	Vice Chairman, William Blair & Company	Representative Member
Davern, Alex	03/07/2005	04/23/2006	CFO and Senior Vice President of Manufacturing and Information Technology Operations, National Instruments Corp	Representative Member
Dennis, Joseph	03/07/2005	04/23/2006	Executive Partner, McGladrey & Pullen	Representative Member
Dolan, Janet	03/07/2005	04/23/2006	CEO, Tennant Company	Representative Member
Jaffee, Richard	03/07/2005	04/23/2006	Chairman of the Board, Oil-Dri Corporation of America	Representative Member
Jensen, Mark	03/07/2005	04/23/2006	National Director, Venture Capital Services, Deloitte & Touche	Representative Member

Lambert, Deborah	03/07/2005	04/23/2006	Co-Founder, Johnson Lambert & Co.	Representative Member
Leisner, Richard	03/07/2005	04/23/2006	Partner, Trenam Kemker	Representative Member
Robotti, Robert	03/07/2005	04/23/2006	President and Managing Director, Robotti & Company	Representative Member
Royster, Scott	03/07/2005	04/23/2006	Executive Vice President & CFO, Radio One, Inc.	Representative Member
Schacht, Kurt	03/07/2005	04/23/2006	Executive Director, CFA Centre for Financial Market Integrity	Representative Member
Schlein, Ted	03/07/2005	04/23/2006	Managing Partner, Kleiner Perkins Caufield & Byers	Representative Member
Thyen, James	12/16/2004	04/23/2006	President and CEO, Kimball International, Inc.	Representative Member
Veihmeyer, John	03/07/2005	04/23/2006	Mid-Atlantic Area Managing Partner for Audit and Risk Advisory Services, KPMG LLP	Representative Member
Wander, Herbert	12/16/2004	04/23/2006	Partner, Katten Muchin Zavis Rosenman	Representative Member

## Number of Committee Members Listed: 21

### Narrative Description

The Committee assesses the impact of the current regulatory system, including the impact of the Sarbanes-Oxley Act of 2002, for smaller companies under the securities laws of the United States and makes recommendations for changes.

### What are the most significant program outcomes associated with this committee?

Checked if Applies

Improvements to health or safety	<input type="checkbox"/>
Trust in government	<input type="checkbox"/>
Major policy changes	<input type="checkbox"/>
Advance in scientific research	<input type="checkbox"/>
Effective grant making	<input type="checkbox"/>
Improved service delivery	<input type="checkbox"/>
Increased customer satisfaction	<input type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

### Outcome Comments

NA

### What are the cost savings associated with this committee?

Checked if Applies

None	<input type="checkbox"/>
Unable to Determine	<input checked="" type="checkbox"/>

Under \$100,000	<input type="checkbox"/>
\$100,000 - \$500,000	<input type="checkbox"/>
\$500,001 - \$1,000,000	<input type="checkbox"/>
\$1,000,001 - \$5,000,000	<input type="checkbox"/>
\$5,000,001 - \$10,000,000	<input type="checkbox"/>
Over \$10,000,000	<input type="checkbox"/>
Cost Savings Other	<input type="checkbox"/>

### **Cost Savings Comments**

During FY2006, the Committee finished its work and presented its recommendations to the Commission. The Commission is currently considering the recommendations of the Advisory Committee on Smaller Public Companies.

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

33

### **Number of Recommendations Comments**

NA

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

9%

### **% of Recommendations Fully Implemented Comments**

NA

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

9%

### **% of Recommendations Partially Implemented Comments**

NA

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

### **Agency Feedback Comments**

Letter from Chairman; public remarks from Commissioners; Commissioners' remarks during Committee meetings.

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

**Action Comments**

Commission voted to delay implementation of Section 404 of Sarbanes-Oxley legislation for one more year for non-accelerated filers. Commission issued a release proposing amendments to the accelerated filing deadlines and the accelerated filer definition.

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

NA

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input checked="" type="checkbox"/>
Online GSA FACA Web Site	<input type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Access Comments**

N/A